

ASSEMBLY BILL

No. 658

Introduced by Assembly Member Wilk

February 24, 2015

An act to amend Section 4011.10 of the Penal Code, relating to health care.

LEGISLATIVE COUNSEL'S DIGEST

AB 658, as introduced, Wilk. County jails: inmate health care services: rates.

Existing federal law provides for the federal Medicare Program, which is a public health insurance program for persons 65 years of age and older and specified persons with disabilities who are under 65 years of age.

Existing law authorizes a county sheriff, police chief, or other public agency that contracts for health care services, to contract with providers of health care services for care to local law enforcement patients. Existing law requires hospitals that do not contract with the county sheriff, police chief, or other public agency that contracts for health care services to provide health care services to local law enforcement patients at a rate equal to 110% of the hospital's actual costs according to the most recent Hospital Annual Financial Data report issued by the Office of Statewide Health Planning and Development, as calculated using a cost-to-charge ratio.

This bill would authorize, in the alternative, those costs to be calculated according to the most recent approved cost-to-charge ratio from the Medicare Program. The bill would also make technical nonsubstantive changes.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 4011.10 of the Penal Code is amended
2 to read:

3 4011.10. (a) It is the intent of the Legislature in enacting this
4 section to provide county sheriffs, chiefs of police, and directors
5 or administrators of local detention facilities with an incentive to
6 not engage in practices designed to avoid payment of legitimate
7 health care costs for the treatment or examination of persons
8 lawfully in their custody, and to promptly pay those costs as
9 requested by the provider of services. Further, it is the intent of
10 the Legislature to encourage county sheriffs, chiefs of police, and
11 directors or administrators of local detention facilities to bargain
12 in good faith when negotiating a service contract with hospitals
13 providing health care services.

14 (b) Notwithstanding any other provision of law, a county sheriff,
15 police chief or other public agency that contracts for health care
16 services, may contract with providers of health care services for
17 care to local law enforcement patients. Hospitals that do not
18 contract with the county sheriff, police chief, or other public agency
19 that contracts for health care services shall provide health care
20 services to local law enforcement patients at a rate equal to 110
21 percent of the hospital's actual costs according to the most recent
22 Hospital Annual Financial Data report issued by the Office of
23 Statewide Health Planning and Development, as calculated using
24 a cost-to-charge~~ratio~~: *ratio, or according to the most recent*
25 *approved cost-to-charge ratio from the Medicare Program.*

26 (c) A county sheriff or police chief shall not request the release
27 of an inmate from custody for the purpose of allowing the inmate
28 to seek medical care at a hospital, and then immediately rearrest
29 the same individual upon discharge from the hospital, unless the
30 hospital determines this action would enable it to bill and collect
31 from a third-party payment source.

32 (d) The California Hospital Association, the University of
33 California, the California State Sheriffs' Association, and the
34 California Police~~Chiefs~~ *Chiefs* Association shall, immediately
35 upon enactment of this section, convene the Inmate Health Care

1 and Medical Provider Fair Pricing Working Group. The working
 2 group shall consist of at least six members from the California
 3 Hospital Association and the University of California, and six
 4 members from the California State Sheriffs' Association and the
 5 California Police ~~Chiefs~~² *Chiefs* Association. Each organization
 6 should give great weight and consideration to appointing members
 7 of the working group with diverse geographic and demographic
 8 interests. The working group shall meet as needed to identify and
 9 resolve industry issues that create fiscal barriers to timely and
 10 affordable inmate health care. In addition, the working group shall
 11 address issues including, but not limited to, inmates being admitted
 12 for care and later rearrested and any other fiscal barriers to hospitals
 13 being able to enter into fair market contracts with public agencies.
 14 To the extent that the rate provisions of this statute result in a
 15 disproportionate share of local law enforcement patients being
 16 treated at any one hospital or system of hospitals, the working
 17 group shall address this issue. No reimbursement is required under
 18 this provision.

19 (e) Nothing in this section shall require or encourage a hospital
 20 or public agency to replace any existing arrangements that any
 21 city police chief, county sheriff, or other public agency that
 22 contracts for health care services for local law enforcement patients
 23 *has with health care providers*.

24 (f) An entity that provides ambulance or any other emergency
 25 or nonemergency response service to a sheriff or police chief, and
 26 that does not contract with their departments for that service, shall
 27 be reimbursed for the service at the rate established by Medicare.
 28 Neither the sheriff nor the police chief shall reimburse a provider
 29 of any of these services that ~~their~~ *his or her* department has not
 30 contracted with at a rate that exceeds the provider's reasonable
 31 and allowable costs, regardless of whether the provider is located
 32 within or outside of California.

33 (g) For the purposes of this section, "reasonable and allowable
 34 costs" shall be defined in accordance with Part 413 of Title 42 of
 35 the Code of Federal Regulations and federal Centers for Medicare
 36 and Medicaid Services Publication Numbers ~~15-1~~ *15-1* and ~~15-2~~
 37 *15-2*.

38 (h) For purposes of this section, in those counties in which the
 39 sheriff does not administer a jail facility, a director or administrator
 40 of a local department of corrections established pursuant to Section

- 1 23013 of the Government Code is the person who may contract
- 2 for services provided to jail inmates in the facilities he or she
- 3 administers in those counties.

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